

Decision of the European Ombudsman closing the inquiry into complaint 356/2014/KM against the European Central Bank (ECB)

Decision

Case 356/2014/KM - **Opened on** 17/03/2014 - **Decision on** 09/02/2016 - **Institution concerned** European Central Bank (No maladministration found) |

The case concerned a complaint that the European Central Bank did not, as some central banks had done in the past, publish a scoreboard on compliance by Eurozone Member States with the so-called "convergence criteria". The Ombudsman inquired into the issue and found that the ECB is not obliged to publish such an overview, given, in particular, that Member States are now called upon to comply with different criteria. She also found that the ECB and the European Commission publish relevant and accessible statistical information on market surveillance. There was therefore no maladministration.

The background to the complaint

1. In November 2012, the complainant, a German citizen, wrote to the ECB to ask it to publish a scoreboard on how the EU Member States were complying with the so-called "convergence criteria", that is, the criteria which European Union Member States were required to meet to enter the third stage of the Economic and Monetary Union (EMU) and to adopt the euro as their currency. [1] She referred to the easy-to-read one-page table which the German central bank, in the past, published in its annual reports.
2. The ECB press service informed the complainant that the ECB's annual report did not contain such a table. It explained that the convergence criteria were relevant for determining whether a candidate country could join the euro area. It added that it published "convergence reports" at least once every two years on how candidate countries, and countries which had opted out of the Euro, were complying with the criteria. At the time of the ECB reply, the most recent report was published in May 2012.
3. In her complaint, the complainant stated that she had not asked about the convergence report on Euro candidate countries. Instead, she was interested in an overview of how *all* the Member States of the EU (that is, not only euro area candidate countries, but also those which already have the Euro), were (continuing) to comply with the Euro convergence criteria. She



argued that these figures were amongst the most important in the context of the on-going euro crisis and that it would therefore be citizen-friendly for the ECB to publish them in its annual report.

The inquiry

4. The Ombudsman opened an inquiry into the complaint and identified the following allegation and claim.

(1) The ECB does not publish statistics on the compliance by euro area Member States with the "convergence criteria".

(2) The ECB should publish those statistics in a user-friendly overview in its annual report.

5. In the course of the inquiry, the Ombudsman received the opinion of the ECB on the complaint and, subsequently, the comments of the complainant in response to the ECB's opinion. In concluding this inquiry, the Ombudsman has taken into account the arguments and opinions put forward by the parties.

Allegation of failure to publish an overview of statistics on compliance with euro area convergence criteria

Arguments presented to the Ombudsman

6. The ECB stated that the surveillance applicable to countries which have adopted the Euro differs from the "convergence criteria" which the complainant had referred to. In fact, it added, Euro-zone countries are subject to even more stringent criteria than the convergence criteria, given the reforms implemented following the euro crisis. As regards fiscal measures, the Stability and Growth Pact aims to prevent and correct excessive government deficits and debt. The rules contained in it were further strengthened in 2011 by the so-called "six-pack" and in 2013 by the "two-pack" rules, and the fiscal compact. [2] Additionally, the Macroeconomic Imbalances Procedure was adopted to look at indicators beyond public finances. The Commission's annual review of these included a publicly accessible scoreboard. Both these frameworks are integrated into the "European Semester", a cycle of economic policy guidance and surveillance. Moreover, it added, the European Commission can impose sanctions if a Member State repeatedly fails to comply with the Commission's recommendations.

7. Therefore, the ECB considered that it would not be appropriate to focus on the fulfilment of the "convergence criteria" in its annual report.

8. Having said that, it underlined that it was committed to providing the public with accessible and user-friendly statistical information. It noted that it was ECB policy to consider its statistics



as a public good and thus to allow the public to use the statistics free of charge. It therefore publishes many statistics on its website. As regards the complainant's request, it referred to the monthly "ECB Statistics Pocket Book", which contains a table on consumer prices, one on government deficit (or surplus), one on general government debt and one on long-term interest rates. It also contains a table on the statistics relevant to the new surveillance framework which was introduced in 2011. [3] Finally, the "statistics" section of the ECB website contains many interactive graphics which present detailed inflation and government finance data in a very user-friendly manner, including maps and graphs for illustration.

9. In her observations, the complainant concluded that the ECB had rejected her request that statistics on Member States' compliance with the convergence criteria be published in the ECB's annual report. She stated that she failed to understand the reasons for rejecting her request.

10. Moreover, she had analysed the information that the ECB had referred to in its opinion. She found statistics on the inflation rate, on government deficits, debts and long-term interest rates. However, she stated that these were scattered over different locations and did not mention the relevant reference amounts. Eurostat published some of the data of interest to her in a similar format to the German Bundesbank statistics she had referred to in her complaint. However, these statistics were not as comprehensive as the Bundesbank statistics.

11. In conclusion, she could not find a comprehensive overview of which Member States complied with the convergence criteria without having to refer to many different websites. While she was fully aware that the rules were not made by the ECB, she wondered what was the purpose of increased and strengthened criteria if even at the very beginning of monetary union only two Member States (Luxemburg and Finland) had ever complied with all the criteria.

The Ombudsman's assessment

12. Following the opening of the inquiry, the ECB addressed the complainant's request in detail. It explained that euro area Member States are now called upon to steer their fiscal and other policies in compliance with several other criteria in addition to the initial convergence criteria. Information on the new indicators is published by the ECB, as well as other European bodies, including the Commission's Directorate-General for Economic and Financial Affairs and Eurostat. This differs from what the complainant requested, and it is clear from her observations that she was not satisfied with the ECB's explanations.

13. However, the Ombudsman cannot identify a duty on the ECB to publish the information the complainant wishes to obtain. It is clear that some of the convergence criteria, such as the stability of the exchange rate, have lost their meaning in relation to countries which have already adopted the Euro. The ECB still publishes convergence reports in relation to non-euro area Member States. Some other convergence criteria, such as the relationship between government deficit and GDP, remain relevant in the framework of the new rules and the "European Semester" cycle of macroeconomic surveillance. The very detailed information that both the ECB and other institutions do publish is more relevant to the present-day situation.



14. The Ombudsman therefore finds that there has not been any maladministration in relation to the complainant's allegation and claim.

Conclusion

On the basis of the inquiry into this complaint, the Ombudsman closes it with the following conclusion:

There has been no maladministration.

The complainant and the ECB will be informed of this decision.

Emily O'Reilly

Done in Strasbourg, 09/02/2016

Final English version of the decision on complaint **356/2014/KM**

[1] The five criteria related to price stability (consumer price inflation rate), sound and sustainable public finances (a maximum threshold for the annual general government deficit and government debt as a percentage of gross domestic product (GDP), the stability of the exchange rate (by reference to a central rate) and the durability of such convergence (looking at long-term interest rates for government bonds). See http://ec.europa.eu/economy_finance/euro/adoption/who_can_join/index_en.htm [Link]

[2] The "six-pack" is a package of five regulations and a directive which introduced greater macroeconomic surveillance, reforming the Stability and Growth Pact. It entered into force in 2011 and comprises (i) *Regulation 1175/2011 on the strengthening of the surveillance of budgetary positions and the surveillance and coordination of economic policies*, (ii) *Regulation 1177/2011 on speeding up and clarifying the implementation of the excessive deficit procedure*, (iii) *Regulation 1173/2011: On the effective enforcement of budgetary surveillance in the euro area*, (iv) *Directive 2011/85/EU on requirements for budgetary frameworks of the Member States*, (v) *Regulation 1176/2011 on the prevention and correction of macroeconomic imbalances*, and finally (vi) *Regulation 1174/2011 on enforcement action to correct excessive macroeconomic imbalances in the euro area*. The "two-pack" supplements those by two further Regulations which provide for additional coordination and surveillance of budgetary processes, namely, *Regulation 473/2013 on common provisions for monitoring and assessing draft budgetary plans and ensuring the correction of excessive deficit of the Member States in the euro area* and *Regulation 472/2013 on the strengthening of economic and budgetary surveillance of Member*



States in the euro area experiencing or threatened with serious difficulties with respect to their financial stability.

[3] The ECB has since discontinued the statistics pocket book; information contained in can now be found on the "Statistical Data Warehouse" section of its website.